Amy A. Pitter, Commissioner Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs



### Informational Guideline Release

Bureau of Municipal Finance Law Informational Guideline Release (IGR) No. 14-205 February 2014

# SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR 2015

(G.L. c. 59, § 5, Clause 41, 41B or 41C)

This Informational Guideline Release (IGR) informs assessors of the social security
deduction to be used in determining exemption eligibility in Fiscal Year 2015 under Clauses 41, 41B
or 41C.

<u>Topical Index Key</u>: <u>Distribution</u>:

Exemptions Assessors

The Division of Local Services is responsible for oversight of and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. The Division regularly publishes IGRs (<u>Informational Guideline Releases</u> detailing legal and administrative procedures) and the <u>Bulletin</u> (announcements and useful information) for local officials and others interested in municipal finance.

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# SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR 2015

(G.L. c. 59, § 5, Clause 41, 41B or 41C)

The Commissioner of Revenue has determined the allowable deduction from federal social security or railroad retirement, and from federal, Massachusetts or Massachusetts political subdivision employee pensions, annuities or retirement plans for the purposes of computing gross receipts under <a href="Meneral Laws Chapter 59">General Laws Chapter 59</a>, <a href="Section 5">Section 5</a>, <a href="Clauses 41">Clauses 41</a>, <a href="41B">41B</a> or <a href="41C">41C</a>. The deduction is increased annually by the cost of living adjustment made for social security benefits distributed as of January first.

Social security benefits were adjusted by **1.5%.** Therefore, the amount to be deducted by the assessors when computing gross receipts for applicants seeking FY2015 exemptions under Clauses 41, 41B or 41C has been increased by **1.5%** above the amount allowed for FY2014.

#### **GUIDELINES:**

#### A. FULL YEAR RECIPIENTS

The following amounts should be deducted when computing the gross receipts for applicants who received income from Federal social security or railroad retirement, or from government employee pensions, annuities or retirement plans for <u>all</u> of 2013:

#### **Annual Minimum Payments 2013**

Worker	\$4,447
Spouse	2,224
-	\$6.671

#### **B. PARTIAL YEAR RECIPIENTS**

For applicants who received income from those sources for only a <u>part</u> of 2013, the following amount for each month for which the income was received should be deducted, provided that the total amount deducted does not exceed the total amount of such payments received:

#### Monthly Minimum Payments 2013

Worker	\$374
Spouse	<u>189</u>
_	\$563

BUREAU OF MUNICIPAL FINANCE LAW

KATHLEEN COLLEARY, CHIEF